

# U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT

04-321

**CONFORMED  
COPY**

USAID Grant Agreement No. 263-K-640

SECOND AMENDMENT

TO

RESULTS PACKAGE AGREEMENT

BETWEEN

THE ARAB REPUBLIC OF EGYPT

AND THE

UNITED STATES OF AMERICA


FOR

EGYPTIAN ENVIRONMENTAL POLICY PROGRAM

Dated:

30 SEP 2002

"Certified to be a true copy of the original document signed by Ambassador C. David Welch, and Fayza Aboulmaga, Minister of Foreign Affairs."

  
Karen Hunter  
Legal Advisor

## FUNDS RESERVED

App 722/31037 Res. No P020219  
EOCC \_\_\_\_\_ EPC HES20223263KG13  
Off Code \_\_\_\_\_ Amount \$27,600,000.00  
Agent Code \_\_\_\_\_ Acc Basis \_\_\_\_\_  
Oblig. Str. Dt. \_\_\_\_\_ Oblig. End Dt. 09/30/2004  
By SL B&A \_\_\_\_\_ MACS SL Date 9/26/02

Second Amendment, dated

30 SEP 2002

to the Results

Package Grant Agreement, dated June 17, 1999, between the Arab Republic of Egypt ("A.R.E." or "Grantee") and the United States of America, acting through the United States Agency for International Development ("USAID"), (collectively, the "Parties") for the Egyptian Environmental Policy Program.

SECTION 1. The Grant Agreement is hereby amended as follows:

A. Article 3, Section 3.1(a) is amended by deleting "Seventy Three Million United States ("U.S.") Dollars (\$73,000,000)" and substituting "One Hundred Million and Six Hundred Thousand United States ("U.S.") Dollars (\$100,600,000)" therefor.

B. Section 3.1(b) is amended by deleting "One Hundred Ten Million United States ("U.S.") Dollars (\$110,000,000)" and substituting "One Hundred Million Six Hundred Thousand United States ("U.S.") Dollars (\$100,600,000)" therefor.

C. Article 4 is amended by deleting "September 30, 2003" and substituting "September 30, 2004" therefor.

D. Annex 1, "Amplified Description", is deleted in its entirety and replaced with Annex 1, "Amplified Description", attached hereto.

SECTION 2. Language of Amendment. This Amendment is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

SECTION 3. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

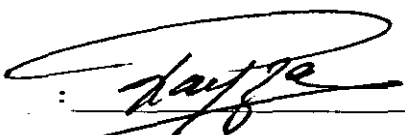
SECTION 4. Ratification. The A.R.E. will take all necessary action to complete all legal procedures necessary to ratification of this Amendment and will notify USAID as promptly as possible of the fact of such ratification.

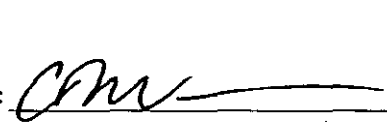
SECTION 5. Effectiveness. This Amendment shall enter into force when signed by both parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its respective duly authorized representatives, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

UNITED STATES OF AMERICA

BY : 

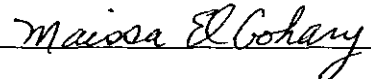
BY : 


NAME : Fayza Aboulnaga

NAME : C. David Welch

TITLE : Minister of State  
for Foreign Affairs

TITLE : Ambassador

BY : 

BY : 

NAME : Maissa El Gohary

NAME : Anne Aarnes

TITLE : Acting Administrator  
Department for Economic  
Cooperation with U.S.A.,  
International Cooperation  
Sector

TITLE : Acting Director,  
USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of State for Environmental Affairs

BY : M. Riyad

NAME : Dr. Mamdouh Riyad Tadrous

TITLE: Minister of State for  
Environmental Affairs and  
Chairman of the Board of  
Directors of the  
Egyptian Environmental  
Affairs Agency

Egyptian Environmental Affairs Agency

BY : [Signature]

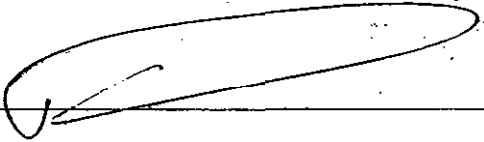
NAME : Prof. Dr. Ayman Farid Abou Hadid

TITLE: Chief Executive Officer

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Petroleum

BY : 

NAME : Eng. Sameh Fahmy

TITLE: Minister of Petroleum

Egyptian Natural Gas Holding Company

BY : 

NAME : Eng. Mohamed Ibrahim Tawila

TITLE: Chairman

*t. Solw*  
*M. Badran*

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Tourism

BY : 

NAME : Dr. Mamdouh El-Beltagui

TITLE: Minister of Tourism

Tourism Development Authority

BY : 

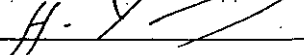
NAME : Eng. Mohamed Magdy El Kobeicy

TITLE: Chief Executive Officer

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representatives of the implementing organizations have subscribed their names:

Ministry of Electricity and Energy

BY : 

NAME : Dr. Hassan Younis

TITLE: Minister of Electricity and Energy

Organization for Energy Planning

BY : 

NAME : Dr. Ibrahim Abdel Gelil

TITLE: Chairman



AMPLIFIED DESCRIPTION  
CASH TRANSFER FOR  
EGYPTIAN ENVIRONMENTAL POLICY PROGRAM

I. Introduction

This annex describes the activities to be undertaken and the results to be achieved with the funds obligated under this Agreement. Nothing in this Annex 1 shall be construed as amending any of the definitions or the terms of the Agreement.

II. Background

The program supports the efforts being taken by the Government of Egypt (GOE) to safeguard Egypt's natural environment. Specifically, USAID will assist the GOE with the formulation and implementation of its environmental policy priorities.

The Egyptian Environmental Policy Program is a five-year program to support GOE policy, institutional, and regulatory initiatives to reduce air pollution and improve management of natural resources for environmental sustainability. Specific policy areas to be addressed are: cleaner and more efficient energy use; reduced industrial pollution; improved solid waste management; and natural resource management in the Red Sea region. Removing cross-cutting economic, financial, and institutional constraints to improved environmental management will also be an objective.

III. Funding

The financial plan for this Agreement is set forth in Attachment 1. Changes may be made to the financial plan by representatives of the Parties without formal amendment to the Agreement, if such changes do not cause a) USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement, or b) the GOE's contribution to be less than the amount specified in Section 3.2 of the Agreement.

#### IV. Activities

Assistance provided through this Grant will assist the GOE to create a stronger framework for environmental management in Egypt. This assistance will include: policy and institutional strengthening assistance; support for increasing public awareness of environmental issues; grants to NGOs as approved by the EEPP executive committee; monitoring, verification and evaluation assistance; other specialized technical assistance; and audits.

#### V. Roles and Responsibilities

Principal GOE partners for the program are the Egyptian Environmental Affairs Agency (EEAA), the Ministry of Electricity's Organization for Energy Planning (OEP), the Ministry of Tourism's Tourism Development Authority (TDA), and the Ministry of Petroleum's Egyptian Natural Gas Holding Company (EGAS). An executive committee chaired by EEAA and comprising voting representatives from EEAA, OEP, TDA, EGAS, MFA/ICS, and non-voting representation of USAID, will be responsible for the overall management of this program. Other potential partners include governorates, private sector entities, the protocol signatory public and private sector entities collaborating under the National Energy Efficiency Strategy, and other line ministries.

USAID will monitor the overall implementation of the program on behalf of the U.S. Government.

#### VI. Monitoring and Evaluation

The results of EEPP will be monitored with assistance provided under this Grant. Evaluations will be periodically performed during the life of the program.

#### VII. Results and Indicators

The major result under EEPP is "Improved Management of the Environment and Natural Resources (ENR) in Targeted Sectors" (sectors include: Red Sea Natural Resources, Urban/industrial Pollution and Energy Efficiency). Indicators for this result and end of program targets are as follows:

13/10/1999

100% completion

<u>Indicator</u>	<u>Baseline</u> <u>(1999)</u>	<u>Target</u> <u>(2004)</u>
Total volume (1000GGE) of compressed natural gas (CNG) sold per year for transportation	20,000	53,429
Percentage of tourism facilities in the Red Sea Region which have received approval through the Environmental Impact Assessment process prior to commencement of construction	20%	85%

The first Intermediate result under EEPP is "Foster Public-Private Partnerships". Indicators for this intermediate result are:

<u>Indicator</u>	<u>Baseline</u> <u>(1999)</u>	<u>Target</u> <u>(2004)</u>
Number of Governorates with at least one new private sector solid waste management (SWM) contractor.	0	5
Cumulative increase (over baseline) in the number of private and quasi-private sector companies offering energy efficiency services in the market.	9	20

The Second Intermediate result under EEPP is "Increase Investment In ENR Best Practices and Technology". Indicators for this intermediate result are:

<u>Indicator</u>	<u>Baseline (1999)</u>	<u>Target (2004)</u>
Percentage of hotel rooms in facilities located on TDA-Owned lands in the Red Sea region, which instituted best practice	38.1%	65%
Number of qualified EEAA Nature Protection Rangers assigned to work within the Red Sea Governorate.	10	50

Egyptian Environmental Policy Program  
 Illustrative Financial Plan  
 Program Assistance  
 USAID Contribution (\$000)

Component/Activity/Budget Input	Previous Obligation	FY 2002 Obligation	Obligation to Date	Total Planned USAID Obligation
Program Assistance/ Cash Transfer	73,000	27,600	100,600	100,600
TOTAL	73,000	27,600	100,600	100,600